



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

JUN 16 2016

OFFICE OF
THE ADMINISTRATOR

The Honorable Arthur A. Elkins Jr.
Inspector General
Office of Inspector General
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, D.C. 20460

Dear Mr. Elkins:

The Office of Inspector General issued Report No. 16-P-0048, "Awards Made by EPA's Office of the Chief Financial Officer Raise Questions" on November 30, 2015. In its report, OIG recommended that the EPA: 1) revisit the awards made to the new director, RTP Finance Center, Office of the Chief Financial Officer, to determine whether the awards are reasonable and properly justified and, if needed, take appropriate action; and 2) for future awards, establish and require a proper level of management review for multiple awards in excess of \$5,000 during a fiscal year to ensure that awards are reasonable and justified in comparison to other awards.

In response to your first recommendation, the Administrator on December 18, 2015, appointed Kenneth Lapierre, assistant Region 4 administrator, to conduct a fact-finding to determine whether any agency personnel involved in the awards subject to the audit engaged in misconduct. Mr. Lapierre was also delegated authority to take or propose corrective or disciplinary action against any official arising from the OIG report. Mr. Lapierre conducted a fact-finding that included a review of audit materials provided by your office and interviews of the EPA officials involved in the approval and issuance of the May 13, 2015, and June 25, 2015, awards to the director.

Mr. Lapierre on April 27, 2016, reported to me on the results of his fact-finding. Mr. Lapierre found that OCFO management officials did not intend to compensate the director using monetary awards or other means to offset the denial of a request for a relocation incentive for the director; that the director did accomplish the achievements described in the written justifications for the awards dated May 13, 2015, and June 25, 2015; and that such achievements are worthy of recognition under EPA's Recognition Policy and Awards Policy. Mr. Lapierre, however, also found that the June 25, 2015, cash award was processed without the appropriate approval authority pursuant to EPA's Recognition Policy and Awards Policy. Mr. Lapierre determined that corrective action was warranted and, on April 27, 2016, Mr. Lapierre issued a written warning to an OCFO official for the official's negligent performance of duties regarding the monetary award given to the director on June 25, 2015.

Regarding your second recommendation, the Office of Administration and Resources Management on May 19, 2016, issued an interim policy change effective immediately, requiring a higher level of review for all monetary awards above \$5,000 in a fiscal year, whether cumulative or individual. OARM's

notification of this policy change also provided additional information for program offices to ensure the proper oversight of the agency's awards program.

I believe that the actions I have described and those discussed in my October 16, 2015, letter to you fully address the issues raised in Report No. 16-P-0048. As always, I appreciate the diligence and commitment of the Office of Inspector General and our partnership in ensuring that our work conforms to the principles and standards of public service we all seek to uphold.

Sincerely,



A. Stanley Meiburg
Acting Deputy Administrator

cc: Donna Vizian